

CABINET

3 December 2014

TRANSFORMING WINCHESTER: A COUNCIL THAT MAKES THINGS HAPPEN

REPORT OF CHIEF EXECUTIVE

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RECENT REFERENCES:

None.

EXECUTIVE SUMMARY:

The Council has, for a number of years now, been changing how we work and how we deliver services. This has been a response to changing expectations and demands of our residents, and to new initiatives from Government, but has primarily been driven by a need to make best use of our increasingly limited resources.

Change has been delivered through a series of change or transformation programmes which have altered the configuration of teams and changed our working practices. They have led to significant financial savings, with a staffing reduction of 50 or so FTE, whilst we have been able to maintain the level and diversity of services we provide.

This report outlines the next stage in the Council's transformation.

RECOMMENDATIONS:

- 1 That Cabinet:
 - a) endorse the programme of work underway under the banner “making things happen” ;
 - b) note and comment on the draft Corporate Transformation Plan; and
 - c) authorise the Chief Executive to finalise the Corporate Transformation Plan in consultation with the Portfolio Holder for Finance & Organisational Development.

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DETAIL:

1 Introduction

- 1.1 For a number of years now local government has been under pressure to change. The principle driver has been the reductions in central funding, which have accelerated since the financial crisis of 2008/09. In Winchester's case, an understandable desire by successive Administrations to keep Council Tax increases to a minimum has accentuated that pressure.
- 1.2 Winchester, like most other Councils, has responded well to that challenge. We have made significant revenue savings year on year; by improving efficiency, smartening procurement, re-shaping the way we do things and seeking to earn income to support services to the public. The Medium Term Financial Strategy (MTFS) approved at Cabinet on 22 October (CAB2606) set out how the Council would continue to pursue opportunities for making financial savings through income generation, efficiency improvements and service review.
- 1.3 Change has not just been driven by money. Public and political expectations of local government have changed: we are expected to find solutions to local problems rather than pass the buck to others, even when the statutory responsibility (if it exists at all) lies elsewhere; we are expected to co-operate with other Councils and public bodies in improving quality of life; we are expected to provide services which respond to customer needs and give people choice as to how they access our services; and of course we are expected to be efficient.
- 1.4 Our response to these changes has sought to fundamentally change the organisational culture. Initiatives such as the introduction of the Customer Service Centre and our corporate accreditation for Customer Service Excellence are changing our approach to our customers. Staff training programmes, our positive support for apprenticeships and the arrangements for allowing career development and skills growth through our *1-team* programme are giving us a more flexible core of staff. That in turn allows us to respond to new opportunities and challenges. We have changed the way teams work to ensure they are more efficient and more resilient, including through taking up opportunities to share with other Councils.

- 1.5 In speaking to staff over the summer I have talked about Winchester being a Council that wants to “make things happen”. This simple phrase captures many aspects of what is changing in the Council: our desire to provide excellent service – even if we do slip up occasionally; our willingness to respond to challenges in a joined up and flexible way – from flooding to supporting business growth; and our ambition to deliver major projects from Silver Hill to our New Homes programme.
- 1.6 If we are to “make things happen” we need to be flexible, responsive and ready to say “yes”, and not tied down by over-complex bureaucracy which leads to inertia. But we also need to be very well organised so we can plan, allocate resources and take decisions – which may sometimes mean saying “no” - without causing organisational chaos. Senior Members have spoken of the Council being more enterprising, business-like and innovative, and we need staff who feel ready and able to suggest new ideas or new approaches, as well as managers who will listen and take those ideas forward.
- 1.7 The notion that we are here to “make things happen” can and is driving a major cultural change across the Council. Being successful depends crucially on our staff: their skills, motivation and the freedom they have to act and take decisions. It is something of a cliché to say we are on a journey of change, but nevertheless true. We have already done much to make us a more agile, flexible and responsive, for example:
- (i) Programmes such as *1-team*, flexible working or Customer Excellence have changed how we think and work.
 - (ii) We now have in post four Assistant Directors whose role is to ensure we work in a joined up way to achieve the improvements we want across the district.
 - (iii) New teams such as the Project Officer and Business Support Team are changing how we work, and we have recently entered a partnership with the County through the Hampshire Cultural Trust to protect the future of our museums service.
- 1.8 This report sets out how we propose to build on our successful programme of organisational transformation over the next few years. It is design to help understand the range of activities underway which will contribute to the bigger picture of transformation.
- 2 “Making Things Happen”: Next Steps in Transformation
- 2.1 There are four strands to the programme of work we need to pursue over the next few years to continue the transformation we have seen to date. Some of the projects are new, others are the continuation of strands of work which have been underway for sometime and will be familiar to Members. Many inter-link, and a number are also contributing to us making financial savings as well as continuing our organisational transformation.

2.2 All the activity underway or planned will be set out in a Corporate Transformation Plan, a draft of which is at Appendix A. Once finalised, that Plan will be brought to Members for approval. What follows summarises each strand in turn:

- a) **Financial Stability.** A robust and stable financial base is a prerequisite for building the flexible, agile, responsive council which can make things happen. Current financial forecasts suggest that, with growth in costs and likely reductions in central financial support, the Council face a £4.1m deficit in its revenue budget by 2019/20 if we do not change what we do and how we work.

Notwithstanding the size of this gap, because we have been careful to manage pressures year-on-year as they emerge the Council is not faced with a need to make immediate, significant spending reductions. However, we should be developing a response which will, over the next few years, close that gap and, ideally, create the opportunity to invest in services.

The MTFS identified the Administration's priorities for addressing this deficit through growing income, maximising returns from the non-operational estate, managing the pay-bill and ensuring efficiency and value for money in all areas of activity. A detailed programme of **Business Development Initiatives**, which range from service reviews through business process improvements to seeking new opportunities for income, will help us look afresh at how we can best achieve the outcomes we seek in a more cost effective way. That programme will be shared with Members and formally presented to Cabinet early in the New Year. It will provide a basis for monitoring progress against financial targets.

Financial stability is about more than an ability to manage the budget challenges we face. In order to do that we need a skilled and stable **Finance Team**. That Team has undergone some change in recent months, and the Chief Finance Officer has worked with an experienced consultant to establish the best shape for her Team, to fill roles and develop skills and expertise. That will be reported to Personnel Committee shortly.

Alongside a skilled Finance Team comes a need for the right level of **financial skills** and awareness in other teams across the organisation. Training is planned for Senior Managers, and we will review whether others could also benefit from that.

Financial forecasting and planning is an important aspect of our corporate planning procedures, and we are working to improve the medium term planning of capital projects, along with our modelling of their revenue implications. This is considered further under (d) below.

- b) **How We Work.** This aspect of the Council is vital in securing change, whether it's in our formal practices and procedures or more informal day-to-day working relationships.

We are already reviewing various aspects of our **governance** procedures, including Member numbers and warding arrangements, and have revised thresholds for delegation of expenditure decisions. Procedures for decision making, whether through Cabinet, Cabinet Sub-Committees or Individual Portfolio Holders continue to evolve. As capacity permits we will consider other aspects of governance.

Communication, both internally and with the wider community, is key to effective working. We have reviewed the Communications Team to ensure they have the right skills and capacity, and strengthened the role communications play in the management of major projects. In the light of concerns raised by Members we will review how well we undertake community engagement and consultation.

Successive *Best Places to Work* and *Investors in People* staff surveys have highlighted how we could improve **behaviours and working practices** in a number of different ways. These are being pursued through a number of Task & Finish Groups, which include staff from all parts of the Council. The conclusions of two such Groups have already been presented to Personnel Committee.

- c) **Learning & Development.** Developing the skills of our staff is vital as we expect them to be more flexible, working across teams and seeking new opportunities to gain experience, and to be willing to work in different ways.

The HR Team are reviewing our **competency framework** to ensure we're clear what skills are needed. Meanwhile, we'll provide opportunities for **developing talent** through our *1-team* initiative, allowing staff to contribute in different areas and learn new skills. This makes the Council better able to respond to new challenges or opportunities by redeploying staff quickly. We will continue to grow our **apprenticeship** programme to bring new talent and fresh perspective into the organisation.

Members have invested significantly more in our **corporate training programme** this year, allowing us to develop training on financial skills and project management as well as 'softer' communication and interpersonal skills necessary to work well with colleagues and external partners.

All this will be drawn together in our revised **Workforce Strategy**, which will be brought to Personnel Committee early in 2015. It sets out exactly what skills mix we believe we require for the future, and how we

propose to deliver that. It will be an integral part of our corporate planning framework (see (d) below).

- d) **Corporate Planning.** In recent years, we have made great strides in **financial planning and management**, both to forecast and monitor our spending. That allows us to be more dynamic in managing financial pressures and finding ways of supporting opportunities which emerge during the year.

Portfolio Plans now sit at the heart of our **service planning**, allowing us to link priorities set out in the Community Strategy with service priorities. We need to get better at linking those plans with budgets. **Performance management** has also improved, and the accountability of Portfolio Holders for delivering within their areas of responsibility is now acknowledged. However, more work is needed to ensure we make full use of our corporate performance management system, Covalent.

The next step is to ensure we have a fully **integrated planning framework** which links service and financial planning together, and joins both with our workforce plan so we can be confident we have the right skills in our staff and deploy them to meet the highest priority projects, programmes and activities.

With an ambitious programme of capital projects sitting alongside the various activities necessary to continue with our organisational transformation, it is important we use officer time efficiently, and get better at **programme management**. The Project Office has an important role in helping us manage our resources – staff and money – to deliver in an efficient way, and avoid over-stretching our finite capacity.

- 2.3 The draft Corporate Transformation Plan at Appendix A will draw all these strands together. The draft needs to be refined in the light of comment from members, and as we discuss the corporate budget and priorities for 2015/16 and beyond. It does not seek to capture the individual project plans which set clear targets and timetable for change, or consider how we can use this programme to close the forecast budget gap.. Those will follow.
- 2.4 This report seeks to explain our direction of travel as a Council and identify what needs to change help us progress in the right direction. In doing so, it also recognises that a priority for us over the next few years is taking the steps to review services and improve efficiency, and thus deliver the financial savings necessary to protect and enhance services to the public.

OTHER CONSIDERATIONS:

3 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

- 3.1 The Council's priority outcomes remain largely unchanged from previous years, and the Portfolio Plans, considered elsewhere on this Cabinet agenda,

explain how the Council can help realise those outcomes. The Council's ongoing programme of transformation, the latest stage of which is set out in this report, sits behind those Portfolio Plans and is what helps us achieve their objectives in an efficient, effective manner.

4 RESOURCE IMPLICATIONS:

- 4.1 The detailed resource implications for delivering this transformation programme will be set out in the Corporate Transformation Plan. Not all we are doing requires more resource, much depends on how we choose to deploy our existing financial or staff resources, and on how those staff work on a day-to-day basis.

5 RISK MANAGEMENT ISSUES

- 5.1 Detailed risks will be considered in the full Corporate Transformation Plan. The overall risk to the Council is the consequence of not continuing with a programme of change: we risk not being able to close the financial gap we face, and failing to respond to the expectations of our community.

BACKGROUND DOCUMENTS:

None.

APPENDICES:

Appendix A: Draft Corporate Transformation Plan

DRAFT

Making Things Happen

Corporate Transformation Plan

2015 - 2018

Our vision for the Winchester District is of diverse and dynamic communities, where people work together to ensure that everyone has the opportunity to lead a fulfilling life now and in the future. Everything we do works towards making this vision a reality, and we do so in the context of fewer resources but increasing demand from our communities.

As a Council we're not bound by organisational silos. We need to work across teams and with partners to achieve results. We need to work creatively and flexibly to make sure we can deliver what Members and our communities need from us, and to make sure every officer is able to make things happen for our communities.

Our aim of Making Things Happen is not just a slogan, it guides our Corporate Transformation Plan on the following pages. That Plan sets out what we will do to ensure Winchester City Council is an organisation that makes things happen for our District and what we will do to support staff to make things happen for residents, businesses and their colleagues alike.

This Plan is set out into four key themes for the Council, each setting out what our aims are under this heading and what actions or programmes of work we will undertake to achieve them.

1 Financial Stability

What are we aiming to do?

We need a stable financial base from which we can operate. In times of austerity, with significant reductions in public expenditure we need to make sure we can accurately forecast and manage income and expenditure. We must raise money to protect and provide services without putting pressure on households whose own budgets are stretched.

Our Medium Term Financial Strategy sets out how we plan to approach securing the stability we need. That identifies the steps necessary to achieve financial stability:

- Grow sources of income
- Maximise returns from the Council's non-operational estate
- By working flexibly and through good workforce planning, carefully manage our overall pay bill
- Review how we deliver services and look for opportunities to do that more efficiently and effectively
- Use financial modelling to ensure our capital and major projects programme remains realistic and affordable

What do we plan to do?

Action	Responsible Officer	Further detail
Develop a programme of opportunities to grow income from our non-operational estate and identify investment opportunities	Head of Estates	Capital Programme/Asset Management Plan
Review opportunities for increasing non-estate income	Assistant Director (Policy and Planning)	Report to Cabinet
Make savings by looking at smarter procurement opportunities	Head of Policy	Report to Cabinet
Develop and deliver a	Assistant Directors (co-	Report to Cabinet

programme of Business Development Reviews which secure efficiency and financial savings by exploiting opportunities for working differently	ordinated by Head of Policy)	
Develop a robust Financial Services Team with mix of skills necessary for budget management and monitoring, and support corporate transformation	Chief Financial Officer	Report to Personnel Committee
Develop financial skills and awareness across the Council.	Chief Finance Officer/Head of Organisational Development	Corporate Training Plan

2 How we work

Making things happen means we need to work as a team, across all areas of the Council and with our partners. That's an attitude of mind, staff need to show the right behaviours to facilitate co-operation and partnership.

We also need to be quick and efficient at decision making, not bound by unduly complex practices and procedures.

With an ambitious programme of major projects to deliver, alongside the 'day job', we need to be smarter at juggling resources and having the right people, with the right skills in the right place. We also need to a robust way of identifying and pursuing priorities.

What are we aiming to do?

- Ensure that our working practices are built on the principles of trust, respect and mutual support
- Support staff to make things happen by making sure our processes are not overly bureaucratic
- Ensure that all staff understand the importance of flexibility and feel able to make full use of their skills
- Manage our staff resources effectively so we make efficient use of our corporate capacity
- Adopt a robust approach to programme management

What do we need to do?

Action	Officer Responsible	Further detail
Governance review to ensure our processes and procedures are fit for purpose	Chief Operating Officer	Finance and Organisational Development Portfolio Plan 2015/16
Review of Electoral Arrangements	Chief Operating Officer	Informal Policy Group, reports to cabinet and Council
Implement Staff Task & Finish Group recommendations addressing key organisational, operational and managerial issues from 'Best Not for Profit Places to Work' and	Head of Organisation Development	Feed into a variety of managerial and operational improvements

'Investors in People' surveys		
Ensure all staff understand the importance of flexibility, and feel empowered to respond positively to challenges and demands	Chief Executive	Through staff briefings and workshops
Review the Business Support Team to learn lessons from the project, driving further operational improvement for them and elsewhere in the organisation	Assistant Director (Environment)	Report to CMT/Portfolio Holder
Review of the Corporate Communications Team	Head of Corporate Communications	Report to Personnel Committee
Improve our programme and project management to ensure we deploy resources effectively	Assistant Director (Policy & Planning)	Report to Performance Management Team/Portfolio Holder/Cabinet

3 Learning and Development

If we are to be a flexible, responsive organisation with a commitment to making things happen we need to understand what skills that requires in our staff, and what our workforce of the future will look like.

Our staff must have the right skills for the new way we want them to work. And we must ensure that we give them opportunities to learn, develop and pursue their

What are we aiming to do?

- Ensure our staff have the right skills and are in the right place at the right time to deliver services and make things happen
- Allow staff to develop within the organisation
- Provide opportunities for staff to influence and participate in how the organisation develops
- Work in partnership with other local authorities to run cost effective staff development opportunities

What do we need to do?

Action	Lead officer	Further detail
Set the right framework for staff learning and development which meets future corporate needs and ambitions	Head of Organisational Development	Workforce Strategy
Review of core competencies to reflect the changing skills we need as an organisation and to ensure managers can effectively support staff	Head of Organisational Development	Workforce Development Plan
Develop self assessment tools to support appraisals	Head of Organisational Development	Workforce Development Plan
Implement 360 degree appraisals for managers	Head of Organisational Development	Workforce Development Plan
Cascade Emotional Intelligence training to	Head of Organisational Development	Workforce Development Plan and Corporate Training Plan

managers		
Coaching and Mentoring scheme	Head of Organisational Development	Workforce Development Plan
Develop the Aspire Learning Portal	Head of Organisational Development	Corporate Training Plan
Continue to provide opportunities for development through the <i>1-team</i> programme	Head of Organisational Development	Workforce Development Plan

4. Corporate Planning

We want to ensure we have a fully integrated corporate planning framework which links service and financial planning together, and joins both with our workforce plan. That will provide a stable framework within which senior managers can guide the corporate transformation mapped out in this plan. Proper, integrated planning allows us to be well prepared for the challenges of the future.

What are we aiming to do?

- Better integrate service planning, financial planning and workforce planning
- Have a medium to long term understanding of what the Council will need in terms of resources and staff to deliver its goals successfully
- Review services to improve the way we work for both customer and staff

Action	Responsible Officer	Further Detail
Ensure that our planning framework draws together financial, service and workforce planning	Chief Executive	Report to CMT/cabinet
Ensure there is the corporate capacity to support major projects and the organisation can manage key programmes of work	Assistant Director (Policy & Planning) / Head of Policy	Part of the review of programme and project management (see 3 above)
Review and re-launch our project management templates and project management training to reflect the increasing use of project work to make things happen in the district	Head of Policy	Report to performance Management Team
Further develop the Council's performance management system so that: <ul style="list-style-type: none"> • project monitoring and performance monitoring are better aligned 	Head of Policy	Reports to Performance Management Team

<ul style="list-style-type: none"> • the rights sets of indicators are monitored by staff/Members at the right time • progress against Portfolio Plans is monitored by Portfolio Holders • we are able to gauge progress against the Community Strategy 		
Create a financial modelling system to support the budget process and better integrate finance with corporate planning	Chief Finance Officer	Report to Corporate Management Team/Portfolio Holder